

Remember, there is a problem. It is at the very least a \$1.5 trillion problem. It is going to start to hit us in 2008. Surely we in this Chamber can in good faith recognize these facts and deal with them in a spirit of cooperation, reach out to the White House and try to find a solution so these pages will not, in fact, be penalized for their youth and find themselves in a situation where they do not get the benefits their grandparents and others received. They will be paying into the system. They will not get the benefits the others have received unless we lock arms, cooperate, and produce a solution.

My focus today has been to review the history of where the problem has been and review the prospective demographic realities we face. At some future time I will outline some of the solutions my committee has discovered might very well work as we try to find a way to deal with this very real problem.

I yield the floor.

THE PRESIDING OFFICER (Ms. MURKOWSKI). The next 30 minutes is under the control of the Democratic leader or his designee.

The Senator from Illinois.

SOCIAL SECURITY

Mr. DURBIN. Madam President, first I salute my colleague from Utah. I agree completely with his conclusion—completely. We need to get together on a bipartisan basis and talk about the future of Social Security. That should be the starting point.

Unfortunately, it is not the starting point. The starting point is a proposal by the administration that we create this privatization of Social Security. That is not a good starting point. We should be able to come together and agree on some facts. The facts are fairly obvious. They have been certified by the General Accounting Office and the Congressional Budget Office. They differ a little bit from what was just said.

I was in Congress in 1983. We looked at Social Security and said we have a serious, immediate crisis: If we do not do something, and do it now, we will find ourselves in a position where we will not be able to meet our promises to all the retirees who paid into Social Security their entire working lives.

President Ronald Reagan, a Republican President, reached across the aisle to the Speaker of the House of Representatives, Tip O'Neill, a leading Democrat, and said: Can't we find a bipartisan way to deal with the most popular and important social program in America? Tip O'Neill said: We have to.

They created a commission with Alan Greenspan as the Chairman. They brought real bipartisanship to the Commission. They did not try to load it one way or the other which, unfortunately, has happened many times when it comes to Social Security. This Commission came up with a list of suggestions to Congress. They said: If you do

these things, Social Security will have a long life. The baby boomers whom we know will retire after the turn of this century, we will be able to take care of them.

Some of the things they proposed were controversial: One, increase the retirement age to the age of 67 over a period of years; there were suggestions of taxing Social Security benefits for higher income retirees; there were cuts in benefits; there were increases in payroll taxes. It was a long list, but each of the proposals in and of itself was not that extreme or radical. When it was all said and done, on a bipartisan basis, Congress enacted that law, changed Social Security.

Let me tell you what we bought for the political courage of President Ronald Reagan and Speaker Tip O'Neill in 1983. What we bought was, literally, 59 years of solvency for Social Security. We came together and solved the problem.

There are people ever since who have been carping about and criticizing the 1983 bipartisan approach, but I am glad I voted for it. I am glad because I can stand and face those retiring and say we faced the problem and we solved the problem.

Frankly, that is what we have to acknowledge today. The future problems are, in fact, long-term future problems for Social Security. What we know now is obvious and has been certified and found to be true; that is, untouched, unchanged, without a single amendment to the Social Security law, no changes whatsoever, Social Security will make every payment to every retiree, with a cost-of-living adjustment, every month, every year, until 2042—according to the Congressional Budget Office, 2052. So for 37 years, Social Security is intact, solid, performing, and solvent. Some say it is beyond that. Some say at the end of 47 years we will reach a point where we will not be able to meet every obligation.

Think of that. There is not a single program in our Federal Government today that we can say with any degree of certainty will be here 3 years from now. We can say with certainty, under the current law, Social Security will be there 37 years from now making every single promised payment.

What happens after 37 years? It is true, we will have taken the surplus in Social Security and spent it down. And then we look at the receipts coming in and the interest earned and some estimate we can only pay 70 to 80 percent of our Social Security obligation. Now that is a challenge. How do we make up the difference? How do we make up the difference of the 20 to 30 percent that needs to be made up in Social Security? It is a problem that could be 40 years away. Today, if we sat down and made bipartisan, commonsense suggestions for changes in Social Security, much as we did in 1983, we can come up with a reasonable solution. Instead, what has the administration proposed? The President has come forward and

said: We have to change Social Security as you know it. The program that has served America for almost 70 years, this program, we should change dramatically.

So we asked the President, What do you have in mind? He says people should be able to take part of the money they are currently putting into payroll taxes and put it into private or personal accounts. That is appealing to some people because they think they would rather invest it in a mutual fund because they think they can make more money than the Social Security Administration can make. Other people say, well, what if you invest it in the mutual fund and it does not make as much money as in Social Security? Isn't there a risk involved?

There certainly is.

And then there are equally important questions. If you are going to take this money out of Social Security that was supposed to go toward paying current retirees, who will make up the difference? The President does not answer the question. The budget of the President does not answer the question. And in comes a memo from the White House which projects one of their solutions to Social Security is to change the way benefits are calculated. Currently, the formula is based on a wage index. It is based on the increase in wages. The White House memo says we ought to base it on the prices index, the increases in the cost of living. It does not sound like much, but it is a substantial change.

As we play out this White House suggestion, what we find is alarming. What the White House memo proposed would lead to a 40-percent decrease in Social Security benefits. So we step back and say, wait a minute. If we do nothing in the year 2042 we can see a 20- to 30-percent decrease in our payments in Social Security. But if we buy into the President's approach we know we will see a 40-percent decrease. How can that be a good solution? The President's plan does not make Social Security any stronger. The President's plan makes Social Security even weaker.

Then there is the kicker, the one thing that the administration does not want to talk about. This administration says their budget is focused on taming the budget deficit. I have to tell the President quite honestly, if you do not include in your budget the cost of the Iraq war, and you do not include in your budget the cost of privatizing Social Security, it is not complete, it is not an honest budget. We know in a period of the first 10 years we could have anywhere from \$750 billion to \$2 trillion added to our national debt. So you say to the President, How are you going to make up that difference, that you will take the money out of Social Security for private accounts and create that additional national debt? How are you going to pay for that?

Well, we will add it to the debt of America. For all the young people, the

pages that have been referred to in the Senate who are now becoming the object of many of our speeches, I don't think we are doing any favors by creating private accounts and saying, incidentally, here is a \$2 trillion debt, a little mortgage for you to consider. Do not forget about your student loans and getting married and buying that first car and buying that home; here is a little debt from Uncle Sam that is part of the President's proposal.

When I listen to the President's privatization approach, I have to say there are several aspects that trouble me. First, this is not a crisis. We are not going to be in dire emergency circumstances in 2008. According to the Congressional Budget Office, almost 50 years from now Social Security is solvent. Social Security is making every single payment. Yes, we have a challenge beyond that. Secondly, the President's plan does not make Social Security stronger, it makes it weaker. And third, if this is such an obvious answer, why won't the President include this in his budget? You cannot take a plan seriously if the President does not put it in his budget.

I will yield to the Senator from Utah for a question.

Mr. BENNETT. Madam President, the Senator from Illinois began by saying that the facts were different than those I had outlined. I would ask him to tell me where my facts are wrong. He referred to the GAO and the CBO, all of which are fully aware of the facts I quoted, and all of which, to my understanding, endorsed the facts I quoted. So I would like to know where factually I was in error.

Mr. DURBIN. I thank the Senator from Utah. I am afraid I did not hear his exact words, but he referred to the year 2008 as being a critical year.

Mr. BENNETT. That is correct.

Mr. DURBIN. As I understand it, we are currently collecting more from our workers across America for Social Security than we currently need to pay out to retirees. This has been the case since the mid-1980s because we saw this big tsunami of the baby boom generation coming at Social Security. This year, we may be collecting as much as twice the amount we need to pay the Social Security retirees, building up this surplus.

So to suggest we have this terrible situation today where we cannot meet the obligations of Social Security, or that we are going to have it in 2008, or that we are going to have it in 2018 is wrong. By all of the Government agencies mentioned by the Senator from Utah, we are going to make every single payment in Social Security for 37 years, maybe 47 years. There is no crisis because we prepared for this. It is as if we understood in a family situation that we are not going to earn enough money in the outyears to make a go of it, so we save money and take it from our savings account for those lean years. That is what we are doing for Social Security.

To suggest this is a crisis we did not anticipate, I was here when we did anticipate it. President Reagan and Tip O'Neill, in anticipation of it, came up with a good, bipartisan approach.

I yield to the Senator from Utah for another question.

Mr. BENNETT. Madam President, is the Senator from Illinois aware of the fact that the Comptroller General of the United States, who runs GAO, has used the 2008 figure because the 2008 date is the date the baby boomers start to retire? Is the Senator from Illinois aware of the fact that I did not say there is a looming crisis that hits us in 2008, that what I said was the pressure on the Social Security system will begin in 2008 and will build from that date to the point that ultimately \$1.5 trillion will have to be raised to fill in the hole in the trust fund, once we cross the line where the amount coming in does not meet the amount going out, and that the 2008 figure is the beginning of the crisis? By no means did I imply or state that 2008 was indeed a crisis point.

Mr. DURBIN. Madam President, reclaiming my time, let me concede to the Senator from Utah, if I misstated his position, I apologize. I do want to make it clear, though, that I sincerely disagree with your conclusion. To suggest we are facing a crisis in 2008 is to suggest we did not anticipate what will happen in 2008, and that is plain wrong.

In 1983, we anticipated the baby boomer generation, larger numbers of retirees, and we did something about it because we made changes in the law. Because we are prepared for the baby boomers, we will not be in crisis in 2008. We will have the money to pay every single baby boomer every penny promised.

That is the point many on the other side of the aisle want to overlook. They want to overlook what we did in 1983. Instead, they should look to that as a model for what we should do in 2005.

If we want to do something for Social Security, let's do it on a bipartisan basis.

Mrs. MURRAY. Madam President, will the Senator from Illinois yield for a question?

Mr. DURBIN. Madam President, before I yield, I would ask the Presiding Officer, how much time is remaining in morning business on our side?

The PRESIDING OFFICER. There is 15 minutes 45 seconds remaining.

Mr. DURBIN. Madam President, I will make a statement that will take about 7 or 8 minutes on Medicare prescription drugs. Then I will yield the remainder of the time to the Senator from Washington.

Mrs. MURRAY. Madam President, that would be great. Can I ask the Senator to yield for one question on Social Security?

Mr. DURBIN. I am happy to yield to the Senator for one question.

Mrs. MURRAY. Madam President, I listened carefully to the discussion of the Senator from Illinois on Social Se-

curity, and I am curious, because I heard the President say if you are 55 or older you are fine, you will be OK under his new plan. He is targeting it to everybody else. But as I listened to the Senator talk about the fact that money would be taken out of the payroll tax, and we also would be increasing the debt by substantial amounts, do you think someone who is 55 today is going to be OK under this plan 10 years from now when they retire and money has been taken out of the payroll tax?

Mr. DURBIN. Madam President, in response to the question of the Senator from Washington, I obviously cannot answer that because no one knows what this privatization plan would do exactly. It certainly is not healthy for the Social Security system to see payroll taxes that had been anticipated and dedicated to paying retirees being removed and put into private investments with the risk attached to them. So I do not think there is any certainty for any retiree if the President cannot come up with more details on what he plans to do. I, for one, think the President's plan weakens Social Security and does not strengthen it.

(The remarks of Mr. DURBIN and Mrs. MURRAY pertaining to the introduction of S. 341 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Washington.

BUDGET IMPACT ON VETERANS

Mrs. MURRAY. Madam President, one week ago we walked across the Capitol to hear President Bush outline his priorities for the Nation when he issued his State of the Union Address. On that night, President Bush told all of us and the Nation that the document reflecting his priorities, his fiscal year 2006 budget, "... substantially reduces or eliminates more than 150 government programs that are not getting results, or duplicate current efforts, or do not fulfill essential priorities."

Less than a week after delivering that address, the President unveiled his budget that defines exactly what he sees as those nonessential priorities. What are they? Students; our ports and our borders; accessible health care; nuclear waste cleanup.

In addition, his budget has not one dollar—that is right, not one single dollar—for the two top priorities the President talked about that night. His two top priorities: Social Security transition, and making the tax cuts permanent. Both of those items are completely ignored in his budget. This is a camouflage budget that we have been presented, and it is meant to hide the truth from American families.

What the President should know is that families in my home State of Washington and across the country are concerned about the security of their